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[Redacted]

JOSEPH J KUEHNER III  
GINA M KUEHNER  
88 ADAMS AVENUE  
OLYPHANT PA 18447

Loan Number: [Redacted]  
Property Address: 88 Adams Avenue  
Escrow Analysis Date: 09/20/2022  
New Payment: \$1,981.71  
New Payment Effective Date: 12/01/2022



Pay by website:  
[flagstar.com/myloans](http://flagstar.com/myloans)



Customer service:  
(800) 968-7700  
Monday-Friday 7:30 a.m.-8 p.m., ET  
Saturday 7:30 a.m.-4 p.m., ET

Dear Joseph J Kuehner III and Gina M Kuehner,

Each year Flagstar Bank reviews the escrow account to ensure the correct amounts are being collected to pay the property taxes and homeowner's insurance. In reviewing the escrow account, **we found a shortage of \$807.68.**

Quick breakdown of the Escrow review

Required Escrow Balance	\$1,005.29
Current Escrow Balance*	\$197.61

**There is a shortage of \$807.68**  
*\*Based on all payments and disbursements due being made prior to the new payment effective date.  
For more escrow related information, please reference your Bankruptcy documents filed with the court.*

Old Mortgage Payment

Principal & Interest	\$1,411.74
Escrow	\$458.81

**Monthly Mortgage Payment \$1,870.55**

The information below reflects the details of our review and the new monthly mortgage payment. The **shortage** was caused by an **increase** in the **escrowed items**.

New Monthly Mortgage Payment

Monthly Payment of Escrow Shortage

Principal & Interest	\$1,411.74
Escrow	\$502.66
Escrow Shortage	\$67.31
<b>New Monthly Mortgage Payment</b>	<b>\$1,981.71</b>

We will automatically spread the repayment of the escrow shortage over the next 12 monthly payments beginning with the payment due December 01, 2022.

How the Escrow Payment Is Calculated

The new monthly escrow payment is calculated by adding all of the disbursements then dividing this figure by 12 months, which equals \$502.66.

Taxes	\$1,315.48	/12=	\$109.62
Taxes	\$218.15	/12=	\$18.18
Taxes	\$2,651.26	/12=	\$220.94
Insurance	\$1,847.00	/12=	\$153.92
<b>Escrow Payment</b>			<b>\$502.66</b>

Determining the Escrow Shortage

As allowed by the Real Estate Settlement Procedures Act (RESPA), the mortgage documents, or state law, the escrow balance should not go below two months' tax and insurance payments, which is a minimum balance of \$1,005.32.

The projected escrow balance in November is expected to be \$197.64.

Required Minimum Balance:	\$1,005.32
Projected Balance:	\$197.64
<b>Escrow Shortage</b>	<b>-\$807.68</b>

Important Information

If you have auto debit for your mortgage payment and have an additional principal amount included, the principal amount will not change but will be added to your new payment amount. To change your monthly principal amount, please submit a signed written request to our Auto Debit Department at: Fax: (888) 548-0528, or Mail: Flagstar Bank, Auto Debit Department, Mail Stop E-115-3, 5151 Corporate Drive, Troy MI 48098

Review the Upcoming Escrow Account Activity (12/01/22 to 11/01/23)

The items below reflect the payments we expect to receive each month for the escrow account and the payments we expect to make on your behalf for the real estate taxes and/or insurance premiums.

Month	Item Description	Payment to Escrow	Payment from Escrow	Expected Balance	Required Balance
	Beginning Balance			\$ 197.61	\$1,005.29
12/22		\$502.66	\$0.00	\$700.27	\$1,507.95
01/23		\$502.66	\$0.00	\$1,202.93	\$2,010.61
02/23	Taxes	\$502.66	-\$1,315.48	\$390.11	\$1,197.79
03/23		\$502.66	\$0.00	\$892.77	\$1,700.45
04/23	Taxes	\$502.66	-\$218.15	\$1,177.28	\$1,984.96
05/23		\$502.66	\$0.00	\$1,679.94	\$2,487.62
06/23		\$502.66	\$0.00	\$2,182.60	\$2,990.28
07/23		\$502.66	\$0.00	\$2,685.26	\$3,492.94
08/23		\$502.66	\$0.00	\$3,187.92	\$3,995.60
09/23	Taxes	\$502.66	-\$2,651.26	\$1,039.32	\$1,847.00
10/23		\$502.66	\$0.00	\$1,541.98	\$2,349.66
11/23	Insurance	\$502.66	-\$1,847.00	\$197.64	\$1,005.32
	Total	\$6,031.92	-\$6,031.89		

Review the Escrow Account History (12/01/21 to 11/30/22)

The items below reflect the expected activity last year and compare it with the actual payments received and disbursements made.

Last year, we anticipated that payments from the escrow account would be made during this period equaling \$5,505.73. Under federal law, the lowest monthly balance should not have exceeded \$917.62 or two (2) months of anticipated payments from the escrow account, unless the mortgage documents or state law specifies a lower amount. The actual lowest monthly balance was \$197.61.

PROJECTED					ACTUAL		
Month	Item Description	Payment to Escrow	Payment from Escrow	Escrow Running Balance	Payment to Escrow	Payment from Escrow	Escrow Running Balance
Beginning Balance				\$917.63			\$505.63
December		\$458.81	\$0.00	\$1,376.44	\$458.81	\$0.00	\$964.44
January		\$458.81	\$0.00	\$1,835.25	\$458.81	\$0.00	\$1,423.25
February	Taxes	\$458.81	\$1,315.48	\$978.58	\$458.81	\$1,315.48	\$566.58
March		\$458.81	\$0.00	\$1,437.39	\$458.81	\$0.00	\$1,025.39
April	Taxes	\$458.81	\$218.15	\$1,678.05	\$458.81	\$0.00	\$1,484.20
May		\$458.81	\$0.00	\$2,136.86	\$458.81	\$0.00	\$1,943.01
June		\$458.81	\$0.00	\$2,595.67	\$458.81	\$0.00	\$2,401.82
July		\$458.81	\$0.00	\$3,054.48	\$458.81	\$0.00	\$2,860.63
August		\$458.81	\$0.00	\$3,513.29	\$458.81	\$0.00	\$3,319.44
September	Taxes	\$458.81	\$2,537.10	\$1,435.00	\$458.81	\$2,651.26	\$1,126.99
October		\$458.81 @	\$0.00 @	\$1,893.81	\$458.81	\$0.00	\$1,585.80
November	Insurance	\$458.81 @	\$1,435.00 @	\$917.62	\$458.81	\$1,847.00	\$197.61
Total		\$5,505.72	\$5,505.73		\$5,505.72	\$5,813.74	

The item indicated in red is the difference from a previous estimate either in date or the amount. An @ symbol indicates a scheduled payment to or from the escrow account which has not been made. Enclosed you will find a guide and answers to frequently asked questions to further assist you with understanding the escrow account and the terms in this statement.

If you have any questions, you can contact us via chat at flagstar.com or call us at (800) 968-7700.

Questions with regard to a change in your tax payment should be directed to your taxing authority and changes in your insurance premium should be directed to your insurance agent.



### What is an escrow analysis?

An escrow analysis is a review of the escrow accounts to determine if the current monthly escrow payment is enough to pay taxes, insurance, and other bills when due. Escrow analyses are typically run annually based on the property tax payment cycle. Occasionally, the payment of taxes or insurance causes the escrow account to reach a negative balance, and it may be necessary to perform more than one analysis during the year.

### Can I waive my escrow account?

Escrow accounts are required and cannot be waived on FHA (Federal Housing Administration), GRH (Guaranteed Rural Housing) or VA (Veteran Affairs) loans.

Escrow accounts on other types of loans, such as Fannie Mae or Freddie Mac loans, may be waived if certain conditions are met. Some basic conditions to determine eligibility for escrow waivers are:

- The loan-to-value ratio of your loan must be 80 percent or less.
- There have not been any payments over 30 days late in the last 12 months.
- Loan is not in a Special Flood Hazard Area (SFHA).
- The loan cannot be in foreclosure, bankruptcy or loss mitigation.

**Note:** If all conditions are met on a loan with required flood insurance, all escrows may be waived with the exception of the flood insurance. Other conditions and requirements may apply; however, if the above conditions are met, please download the [Escrow Waiver Request Form](#) from [flagstar.com/myloans](http://flagstar.com/myloans), complete it, and fax or mail it as directed.

Please note that an escrow waiver fee equal to 0.25 percent of the current principal balance or \$150, whichever is greater, is charged. This fee will be charged unless not permitted by applicable state law.

### Why did my payment change?

As the bills for the real estate taxes and insurance premiums change, the amount needed to be collected every month also needs to be updated. Even on a fixed-rate loan the escrow payment may vary, causing a change in the total payment owed. Please see the escrow analysis for more information.

### Why do I have a shortage in my escrow account?

Escrow shortages generally occur when property taxes and/or insurance payments increase. Specific questions regarding tax amounts or homeowner's insurance should be directed to the local tax authority or the insurance agent. The following are other common reasons for an escrow shortage:

- An increase in the tax or insurance bill.
- Underestimation of the tax assessment on a new construction loan that was based on land only.
- An unanticipated disbursement, such as a supplemental tax bill.
- Force-placed taxes or insurance.

### How can I pay my escrow shortage?

Escrow shortages are conveniently spread over a period of months. For more payment options, visit [flagstar.com/myloans](http://flagstar.com/myloans).

### Whom do I contact to update my loan with the correct tax amounts/information?

Since we may already receive the tax information from the taxing authority, please call the Customer Service Department to discuss the information we may need from you.

### My insurance carrier has changed. What do I do?

Please call the Insurance Department at (833) 811-3061. Representatives are available Monday - Friday 7:30 a.m.-8 p.m. ET.

Please refer to [flagstar.com/myloans](http://flagstar.com/myloans) for a full list of Escrow FAQs.